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**MINUTES OF THE 155TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
MARCH 16, 2012
LITTLE ROCK, AR**

CALL TO ORDER

The meeting was called to order by Dr. Beverly Dawkins Lyn-Cook, Chairman of the Board, in the Bessie Moore Board Room, located in the 900 West Capitol Building in Little Rock, AR.

A quorum of Board members was presented and included: Mr. Bradford Caldwell (via phone), Dr. Cesar Compadre, Dr. Carl Frederickson, Dr. Collis Geren, Mr. Michael Nauman, Mr. Heartsill Ragon, Dr. Robert Sproles and Mr. Rod Sweetman.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Ms. Cathleen Bailey, Mr. Dan Curtis, Mr. James Downs, Ms. Stephanie Johnson, Dr. Gail McClure, Dr. Blake Perry, Mr. Chris Snider and Dr. Steve Stanley.

APPROVAL OF MINUTES

Dr. Lyn-Cook presented for approval the minutes for the January 20, 2012 Board meeting. Dr. Geren made a motion for the approval of the minutes. Mr. Sweetman seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

FY12 Operating Report

Dr. Perry presented the FY12 Operating Report. Dr. Frederickson moved acceptance of the report as presented. Dr. Geren seconded the motion; the Board gave its unanimous approval.

FY12 Investment Update

Dr. Perry presented the FY12 Investment Update. The update also included a map showing the areas of the state impacted by the Authority programs. Dr. Perry reported that since the last Board meeting, two additional counties were added to the list of areas impacted by the Authority.

Mr. Ragon moved acceptance of the Investment Update as presented. Mr. Sweetman seconded the motion; the Board gave its unanimous approval.

Media Update

Mr. Downs provided the Board with an update on the media activities of the Authority. It included review of the updated Success Stories section on the Authority website, articles that appeared in Arkansas Business and the Arkansas Democrat Gazette. The Board was also shown two videos featuring companies BlueInGreen and NanoWatt Design, who recently received funding from the Authority.

Agency Budget

Dr. Ahlen reported that the agency was one of five that had to reduce its budget during the recent fiscal legislative session that will be taken out of the FY13 budget. The Authority had to reduce its FY13 operating budget. This was on top of the approximately \$80,000 cut that was taken for the current fiscal year. Dr. Ahlen stated that he did not know the mechanisms behind the cut and that he felt the decision was shortsighted and counterproductive. He stated that any additional cuts would hurt the agency's ability to continue to help the citizens of the state.

INDUSTRY COMMITTEE REPORT

Dr. Robert Sproles presented the Industry Committee report.

MEP is transitioning all centers to a new Innovation Practice. Mr. Curtis provided additional information concerning this transition.

The FY13 Cooperative Agreement has been finalized and will be submitted to MEP when it is signed.

The 2012 Annual MEP Conference is scheduled for May 6-9. Three Arkansas companies will participate in the Made in America portion of the meeting. In addition, one Arkansas company will be receiving an award at the conference.

There are currently vacancies on the Industry Advisory Committee. The staff welcomes any possible candidate nominations from the Board.

AMS recently held an Energy Clearinghouse Energy Conference. The conference was well attended, with over 150 attendees.

AMS has planned three ExporTech conferences on April 4, May 2 and June 6. Brochures were made available to the Board.

RESEARCH & COMMERCIALIZATION COMMITTEE REPORT

Mr. Heartsill Ragon presented the Research & Commercialization Committee report.

TTAG Quarterly Report

Mr. Ragon presented the TTAG Activity Report. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Seed Capital Quarterly Report

Mr. Ragon presented the Seed Capital Quarterly Report. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 12-21

Draft Resolution 12-21 would provide Seed Capital Investment funds for cycleWood Solutions, Inc. in an amount not to exceed \$250,000.

The Authority investment would be used to scale up the process of converting lignin to plastic, conducting a pilot scale production run and for general start-up costs. Dr. Stanley stated that the company had raised \$750,000 from a venture capital group.

Mr. Ragon indicated that the draft resolution listed funding at \$250,000 but if approved, the company would only received funding of \$57,653 and could then apply for additional funds if certain milestones established by the Authority are met; \$250,000 the total amount that could be available to the company.

After further discussion, Mr. Ragon moved to amend Draft Resolution 12-21 with a funding amount of \$57,653 and approve as amended. Dr. Sproles seconded the motion; the Board gave its unanimous approval.

Draft Resolution 12-22

Draft Resolution 12-22 would provide Seed Capital Investment funds for Unityware, Inc. in an amount not to exceed \$100,000. The funding would be used to finish development of a “Patient Server” module of the software suite and for sales and marketing. The Patient Server will complete a good base product offering. Sales and marketing efforts will push to sell the current technology into as many hospitals and clinics as possible. Later the product line will be expanded to include additional capabilities.

The Authority invested in Unityware a couple of years ago; the funds were used for gaining traction in the business. Currently, the company has two hospitals and their associated clinics, located in Paragould and Nashville, under contract. Work is being done to link the hospitals and clinics.

For the record, Dr. Ahlen disclosed that Brian Stack, CEO of Unityware, asked him to serve on an advisory committee for a federal award that Unityware applied for. There was no financial compensation associated with serving on the committee and it was not a conflict of interest because the funding did not involve the Authority. Unityware did not receive the federal award.

Draft Resolution 12-22 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 12-23

Draft Resolution 12-23 certifies seven “In House Research by a Targeted Business” tax credits for the following projects:

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by BlueInGreen, LLC in the amount of \$115,173.29 in expenses eligible for \$38,007.19 in tax credits (AEDC Project No. 10545);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by First Orion Corp. in the amount of \$674,522.04 in expenses eligible for \$222,592.27 in tax credits (AEDC Project No. 11166);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by InvoTek, Inc. in the amount of \$143,038.72 in expenses eligible for \$47,202.78 in tax credits (AEDC Project No. 10541);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by Merchant View, LLC in the amount of \$323,998.80 in expenses eligible for \$106,919.60 in tax credits (AEDC Project No. 11570);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by Minotaur Technologies in the amount of \$128,121.38 in expenses eligible for \$42,280.06 in tax credits (AEDC Project No. 11300);

“Tax Credit for In House Research by a Targeted Business,” [ACA 15-4-2708(c)] submitted for tax year 2011 by Nutraceutical Innovations, LLC in the amount of \$82,934.05 in expenses eligible for \$27,368.24 in tax credits (AEDC Project No. 11569);

“Tax Credit for In House Research,” [ACA 15-4-2708(b)] submitted for tax year 2011 by Rockline Industries, Inc. in the amount of \$2,458,407.00 in expenses eligible for \$491,681.40 in tax credits (AEDC Project No. 11410).

Draft Resolution 12-23 was moved and seconded by the committee. Dr. Geren abstained from voting. The motion passed.

Draft Resolution 12-24

Draft Resolution 12-24 would provide Arkansas Research Matching funds for the following project:

Proposal No. 12-ARMF-01, "Louis Stokes Alliances for Minority Participation (LSAMP) Program," by Dr. Mary E. Benjamin, of the University of Arkansas at Pine Bluff in an amount not to exceed \$70,000. This project is funded federally by a five-year National Science Foundation grant in the amount of \$3,500,000.00.

Draft Resolution 12-23 was moved and seconded by the committee. The Board gave its unanimous approval.

SPONSORED PROJECTS COMMITTEE REPORT

Dr. Collis Geren presented the Sponsored Projects Committee report.

Draft Resolution 12-25

Draft Resolution 12-25 would provide funding for the following proposal:

12-EPS2-0030, "Louis Stokes Alliances for Minority Participation" submitted by Dr. Mary Benjamin, University of Arkansas at Pine Bluff, in an amount not to exceed \$96,000 for the period of March 16, 2012 through March 16, 2013.

Draft Resolution 12-25 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 12-26

Draft Resolution 12-26 would provide funding for the following five proposals:

12-WRF-STEM01, "Electrophoresis Biotechnology Summer Academy for Teachers & Students," submitted by Cynthia Ann Miller of the Arkansas State University – Delta STEM Center, State University, in an amount not to exceed \$20,000.00.

12-WRF-STEM02, "Enriching Biotech-in-a-Box Classroom Learning with Interactive Visualization Tools and Environments," submitted by Julie Grady of Arkansas State University—Rural STEM Center, State University, in an amount not to exceed \$20,000.00.

12-WRF-STEM03, "SOLAR TECH—Exploring the Power of the Sun: A Summer Science Academy for Rising 10th Graders," submitted by Betty Ramsey of the Henderson State University—South Arkansas Mathematics and Science STEM Center, Arkadelphia, in an amount not to exceed \$20,000.00.

12-WRF-STEM04, “Replicating Success for STEM Academies: A planning Grant Articulating with the 2012 Razorback Solar Boat Project,” submitted by Roger Guevara of Southern Arkansas University, Magnolia, in an amount not to exceed \$20,000.00.

12-WRF-STEM05, “2012 Razorback Solar Boat: A High School Student and Teacher Experience,” submitted by Eric Specking of the University of Arkansas—College of Engineering, Fayetteville, in an amount not to exceed \$20,000.00.

Draft Resolution 12-26 was moved and seconded by the committee. The Board gave its unanimous approval.

ASSET II UAPB Green Project

GREEN Project plans to set up instructional laboratories at the University of Arkansas at Pine Bluff (UAPB) to provide basic training and laboratory instrumentation needed in solar power systems and other renewable energy systems.

The objectives of the UAPB GREEN Project: 1) Develop a laboratory and course curriculum to train engineering students in the understanding, implementation and maintenance of photovoltaic and other renewable energy systems; 2) Develop a professional certification program so that students can get certified to install and maintain solar power systems; 3) The laboratory instrumentation acquired will be portable to other Arkansas institutions when not being used at UAPB; and 4) The courses will be amenable for distance education and implementation at other schools.

The budget for the project totals \$71,067. The UAPB GREEN Project has been reviewed and recommended by Dr. Vasu Varadan, GREEN Center Director.

The project request was moved and seconded by the committee. The Board gave its unanimous approval.

OLD BUSINESS

Dr. Perry provided the Board with the notes from the facilitated session that was held during the November, 2011 meeting. Dr. Blake pointed out that the staff was working on doing a better job of promoting the Authority.

NEW BUSINESS

Dr. Ahlen and Dr. McClure briefed the Board on the Science Advisory Committee’s work on drafting a Science and Technology Plan. The committee is gathering information that will help draft the plan, which will eventually be brought to the Board for approval. A science technology plan will help with future EPSCoR proposals (Track I and II) and other Authority processes.

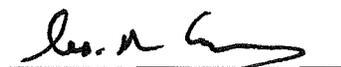
Next Meeting Date

Board members were reminded that the next Board meeting is scheduled for May 18, 2012.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,



Cesar Compadre, Ph.D.

Secretary

Board of Directors

Approved by the Board of Directors
on this 18th day of May, 2012.



Cesar Compadre, Ph.D.

Secretary

Board of Directors